



ELECTRICITY DISTRIBUTION LICENCE

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ACN 064 651 056

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ELECTRICITY DISTRIBUTION LICENCE

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ELECTRICITY DISTRIBUTION LICENCE

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this licence, words and phrases appearing *like this* have the meaning given to them in part 1 of schedule 1.
- 1.2 This licence must be interpreted in accordance with the rules set out in part 2 of schedule 1.

2. GRANT OF LICENCE

- 2.1 Subject to the conditions set out in this licence, the *Licensee* is authorised to distribute or supply electricity.
- 2.2 Under this licence, the *Licensee* may only distribute or supply electricity to *supply points* located in the *Licensee's distribution area*.

3. TERM

- 3.1 This licence first had effect on 3 October 1994 and has been varied on the dates set out in schedule 3.
- 3.2 The *Commission* may revoke this licence in accordance with clauses 3.3 or 3.4.
- 3.3 The *Commission* may at any time agree with the *Licensee* that this licence should be revoked, in which case the term of this licence ends on the day agreed.
- 3.4 The *Commission* may at any time give notice of revocation in accordance with clause 3.5 to the *Licensee* if:
- (a) the *Licensee* does not comply with an *enforcement order* or an *undertaking*; and
 - (b) the *Commission* is satisfied that revocation of this licence is necessary having regard to the *objectives*,
- in which case, subject to clause 3.6, the term of this licence ends on the expiration of the period of the notice.
- 3.5 The *Commission* must give at least 20 *business days* notice of revocation to the *Licensee* under clause 3.4.
- 3.6 The term of this licence does not end at the expiration of the period of a notice of revocation given under clause 3.4 if, before the expiration, the *Licensee* complies with the *enforcement order* or the *undertaking* (as the case may be).

4. USE OF SYSTEM AGREEMENTS

4.1 The *Licensee*:

- (a) must within 40 *business days* of a date nominated by the *Commission* in a *communication* given to the *Licensee*; and
- (b) may at any other time,

prepare and submit to the *Commission* a proposed *default use of system agreement* for approval by the *Commission*.

4.2 If the *Commission* has received a proposed *default use of system agreement* from the *Licensee* under clause 4.1, the *Commission* may:

- (a) approve it as submitted;
- (b) if there is not an existing *default use of system agreement*, approve it with amendments following consultation by the *Commission* on its proposed amendments; or
- (c) not approve it.

4.3 If:

- (a) the *Commission* has received a proposed *default use of system agreement* from the *Licensee* under clause 4.1; and
- (b) at the end of 60 *business days* after the day on which the proposed *default use of system agreement* was received by the *Commission* (or such longer period after that day not exceeding 30 days as notified by the *Commission* to the *Licensee*), the *Commission* has not:
 - (1) approved (with or without amendment) the proposed *default use of system agreement*; or
 - (2) advised the *Licensee* that the proposed *default use of system agreement* will not be approved,

the *Commission* will be deemed to have approved the proposed *default use of system agreement*.

- 4.4 Where a **retailer** or other person who has made an application for a **retail licence** requests the **Licensee** to offer a **use of system agreement** (for a period when no **use of system agreement** otherwise would be in force), the **Licensee** must offer to enter into a **written use of system agreement** in the form of the approved **default use of system agreement** with the **retailer** or other person within three **business days** of the request unless a **use of system agreement** between the **Licensee** and the person making the request has been terminated due to a material breach and the circumstances giving rise to that breach remain unchanged such that if that former agreement was still in force there would be an unremedied breach.
- 4.5 The **Licensee** and a **retailer** or other person who has made an application for a **retail licence** may negotiate a **use of system agreement** with terms and conditions different from those included in the **Licensee's default use of system agreement**. Each such **use of system agreement** must be in **writing**.
- 4.6 A **default use of system agreement** must contain terms and conditions which are fair and reasonable and do not unreasonably discriminate, or have the effect of creating unreasonable discrimination, between **retailers** or between **customers** of any **retailer**.
- 4.7 The **Licensee** must amend its **default use of system agreement** in accordance with any direction to do so given by the **Commission** if:
- (a) the **Commission** is of the opinion that, without the amendment, the terms and conditions:
 - (1) are not fair and reasonable; or
 - (2) unreasonably discriminate, or have the effect of creating unreasonable discrimination, between **retailers** or between **customers** of any **retailer**; and
 - (b) the **Commission** has given the **Licensee** an opportunity to make representations on the matter and to amend the **default use of system agreement** without such a direction.
- 4.8 Upon approval of a new **default use of system agreement** (under clause 4.2 or 4.3) or any required amendment to a **default use of system agreement** (under clause 4.7), the **Licensee** must:
- (a) make an offer within 3 **business days** to each **retailer** with whom it has a **use of system agreement** to enter into a replacement **use of system agreement** in the form of the new **default use of system agreement**; and
 - (b) if such offer is accepted, terminate the existing **use of system agreement**.
- The offer must remain open for acceptance by a **retailer** for at least 40 **business days**.
- 4.9 The **Licensee** must notify the **Commission** as soon as practicable if:
- (a) it gives any notice to a **retailer** in connection with the proposed termination of a **use of system agreement**; or

(b) it terminates a *use of system agreement* without a replacement *use of system agreement* immediately coming into force.

4.10 The *Licensee* must not terminate a *use of system agreement* if the *Commission* so directs the *Licensee* specifying the duration and circumstances of the prohibition on termination.

5. DEEMED DISTRIBUTION CONTRACTS

5.1 The *Licensee*:

(a) must by a date nominated by the *Commission* in a *communication* given to the *Licensee*, which is not less than 20 *business days* after the *communication* is given to the *Licensee*; and

(b) may at any other time,

prepare and submit to the *Commission* proposed terms and conditions of a *deemed distribution contract* for approval by the *Commission*.

5.2 The *Licensee's* proposed terms and conditions submitted under clause 5.1 must adopt, restate or expressly deal with the subject matter of each provision of the *Electricity Distribution Code* as in force from time to time, other than clauses 1.1, 1.2, 1.3 and 1.7 of the *Electricity Distribution Code* and provisions dealing with embedded generation.

5.3 As soon as practicable after approval of proposed terms and conditions of a *deemed distribution contract* by the *Commission*, the *Licensee* must give notice of those terms and conditions and publish them in the Government Gazette in accordance with the *Act*.

6. OBLIGATION TO OFFER CONNECTION SERVICES AND SUPPLY TO A CUSTOMER

6.1 If a *retailer* or a *customer* requests the *Licensee* to offer:

(a) to provide *connection services* so as to allow the supply of electricity from the *Licensee's distribution system* to an *electrical installation* of the *customer*; and

(b) to supply electricity from the *Licensee's distribution system* to that *electrical installation*,

the *Licensee* must make such an offer within 20 *business days* in accordance with clause 11 and subject to the *Electricity Distribution Code* and, if the request is made by a *retailer*, the offer must be consistent with the *retailer's use of system agreement* with the *Licensee*.

7. OBLIGATION TO OFFER CONNECTION SERVICES TO EMBEDDED GENERATORS

- 7.1 If an *embedded generator* (or a person who has made application or intends to make application for a *generation licence* or for an exemption granted under the *Act*) requests the *Licensee* to offer to provide *connection services* so as to allow the supply of electricity from an *embedded generating unit* of the *embedded generator* which is in the *distribution area* to the *Licensee's distribution system*, the *Licensee* must make such an offer within 65 *business days* in accordance with clause 11.
- 7.2 An offer by the *Licensee* under clause 7.1 must require the *embedded generator* (or other) to comply with the provisions of the *Electricity Distribution Code* which are expressed to impose obligations on *embedded generators* unless otherwise agreed by the *Licensee* and the *generator* (both of whom in that respect must act reasonably).

8. OBLIGATION TO OFFER UNDERGROUNDING AND SIMILAR SERVICES

If a person requests the *Licensee* to participate in the development of a proposal to underground or otherwise relocate or modify any of the *Licensee's distribution fixed assets*, in order to:

- (a) avoid or minimise any threat or possible threat to the health or safety of any person or any property or the environment or an element of the environment; or
- (b) improve the amenity or appearance of the environment,

the *Licensee* must so participate and make an offer for such undergrounding or other relocation or modification within 20 *business days* in accordance with clause 11.

9. OBLIGATION TO OFFER TO PROVIDE CERTAIN SERVICES TO OTHER DISTRIBUTORS

- 9.1 If a *distributor* (or a person who has made application or intends to make application for a *distribution licence*) requests the *Licensee* to offer:
- (a) to provide services to facilitate the *distribution* of electricity by the *distributor* such as:
 - (1) power transfer capability services;
 - (2) reactive capacity at relevant points of *connection*;
 - (3) control protection and monitoring services;
 - (4) metering services; or

- (b) to allow the *distributor* to:
- (1) use the poles, trenches, conduits, communication lines and cables which the *Licensee* has a right to use other than by the operation of a provision in the *distribution licence* of another *distributor* which is identical or similar to this clause 9.1(b); or
 - (2) install or keep installed (as the case may be), use, maintain, modify and operate remote operations equipment,

and includes in the request all information the *Licensee* reasonably requires in order to make such an offer, the *Licensee* must make such an offer within 20 *business days* in accordance with clause 11.

9.2 The *Licensee* must ensure that it has sufficient rights in respect of all poles, trenches, conduits, communication lines and cables in the *distribution area* (other than those owned or controlled by another *distributor* licensed to distribute or supply electricity in the *Licensee's distribution area*) to enter into an effective contract for their use by another *distributor* under clause 9.1(b)(1).

10. OBLIGATION TO OFFER PUBLIC LIGHTING SERVICES

10.1 If a *public lighting customer* requests the *Licensee* to provide *public lighting services*, the *Licensee* must make an offer to do so within 20 *business days* in accordance with clause 11.

10.2 If a *public lighting customer* accepts an offer made by the *Licensee* in accordance with clause 10.1, the *Licensee* must comply with the resulting contract.

10.3 If a *public lighting customer*:

- (a) does not request or has not received an offer in accordance with clause 10.1; or
- (b) has not accepted an offer made by the *Licensee* in accordance with clause 10.1,

the *Licensee* must provide *public lighting services* (other than the installation of new *public lighting assets*) at a price and on terms and conditions which comply with:

- (c) the *Price Determination*;
- (d) any applicable *approved statement*; and
- (e) the *Public Lighting Code*.

10.4 From a date notified to the *Licensee* by the *Commission* in writing, the *Licensee* must allow a *public lighting customer* to purchase from a *retailer* or the *wholesale electricity market* the electricity supplied to *public lighting assets*.

11. REQUIREMENTS FOR OFFERS

- 11.1 A *Licensee's* obligation to make an offer within a number of *business days* under clause 6, 7, 8, 9 or 10 begins on the date when the *Licensee* receives the request or the date when the *Licensee* receives all information which the *Licensee* reasonably requires to make the offer, whichever is the later.
- 11.2 Any question as to the reasonableness of a requirement by the *Licensee* for information as contemplated by clause 11.1 is to be decided by the *Commission* on the basis of the *Commission's* opinion of the reasonableness of the requirement.
- 11.3 An offer made by a *Licensee* under clause 6, 7, 8, 9 or 10 must include a price and other terms and conditions which are fair and reasonable and consistent with:
- (a) the *Price Determination* or any other applicable price determination made by the *Commission*;
 - (b) any applicable *approved statement*; and
 - (c) in the case of clause 10, the *Public Lighting Code*.
- 11.4 Any question as to the fairness and reasonableness of a term or condition is to be decided by the *Commission* on the basis of the *Commission's* opinion of the fairness and reasonableness of the term or condition.
- 11.5 Any question as to the relevance or applicability of a *guideline*, the *Price Determination* or *approved statement* is to be decided by the *Commission* on the basis of the *Commission's* opinion of the relevance or applicability of the *guideline*, the *Price Determination* or *approved statement*.
- 11.6 If requested, the *Licensee* must not refuse to make an offer contemplated by clause 6, 7, 8, 9 or 10 unless:
- (a) the *Licensee* has already made an offer in response to an earlier request and the offer has not been accepted; or
 - (b) the *Licensee* is permitted or required to do so by any of the regulatory instruments with which the *Licensee* must comply under clause 22, or any applicable law.
- 11.7 If the *Licensee* proposes to *augment its distribution system* in connection with an offer to provide services under clause 6, 7, 8, 9 or 10 then, if required by any relevant *guideline*, the *Licensee* must call for tenders in accordance with that *guideline*. The *Licensee* must also comply with other aspects of that *guideline*.

12. PROVISION OF OTHER EXCLUDED SERVICES

12.1 The charge for and terms and conditions on which, in the conduct of its *distribution business*, the *Licensee* provides any *excluded service* other than an *excluded service* contemplated by clauses 6, 7, 8, 9 or 10 must be fair and reasonable and consistent with:

- (a) the *Price Determination* or any other applicable price determination made by the *Commission*; and
- (b) any applicable *approved statement*.

12.2 Any question as to the fairness and reasonableness of such terms and conditions is to be decided by the *Commission* on the basis of the *Commission's* opinion of the fairness and reasonableness of the terms and conditions.

13. OTHER AUGMENTATION WORKS

Where:

- (a) the *Licensee* proposes to *augment* its *distribution system* otherwise than in connection with an offer to provide services under clause 6, 7, 8, 9 or 10; and
- (b) a *guideline* requires the *Licensee* to call for offers to perform the *augmentation* works, before the *Licensee* performs or procures the performance of any *augmentation* works,

the *Licensee* must call for offers to perform the *augmentation* works.

14. TRANSMISSION CONNECTION ASSET PLANNING AND AUGMENTATION

The *Licensee* is responsible for planning, and directing the *augmentation* of, *transmission connection assets* to assist it to fulfill its obligations under clause 6.

15. NATIONAL METERING IDENTIFIERS

15.1 The *Licensee* must issue a unique *NMI* for each *metering installation* in its *distribution area* (even in those cases where the *National Electricity Code* does not require it to do so) in a manner consistent with its obligations under the *National Electricity Code*.

15.2 The *Licensee* must issue a *NMI* under clause 15.1 prior to *connecting* a *customer's electrical installation* to the *distribution system*.

16. PROVISION OF INFORMATION TO THE RETAILER OF LAST RESORT

On request by a *retailer* which has been directed by the *Commission* to act as a *retailer of last resort*, the *Licensee* must disclose to the *retailer* such *customer* or other information as is necessary for the *retailer* to act as the *retailer of last resort* for a *customer*.

17. APPROVED STATEMENTS

17.1 The *Licensee*:

- (a) must by a date nominated by the *Commission* in a *communication* given to the *Licensee*, which is not less than 20 *business days* after the *communication* is given to the *Licensee*, and in accordance with that *communication*; and
- (b) may at any other time,

submit to the *Commission* for the *Commission's* approval a statement of the *Licensee's* proposed charge and terms and conditions for the provision of any *excluded service*.

17.2 The *Licensee* must publish or provide copies of any *approved statement*.

18. CONFIDENTIALITY

18.1 The *Licensee* must not:

- (a) use *customer* information acquired for one purpose for another purpose; or
- (b) disclose *customer* information to any person,

unless the *customer* has given consent in *writing* to the use or disclosure or the *Licensee* is authorised by or under this licence or by law.

19. STATEMENT OF CHARGES

On request from a *retailer*, the *Licensee* must provide to the *retailer* such information as the *retailer* reasonably requires to allow the *retailer* to include, in statements the *retailer* issues to any *customer* requiring payment in respect of electricity sold, the total of amounts charged by the *distributor* in respect of that *customer*.

20. COOPERATION WITH VENCORP

20.1 The *Licensee* must co-operate with *VENCorp* in the establishment of demand reduction procedures (including *customer* load shedding arrangements).

20.2 As soon as practicable after any request made by *VENCorp*, the *Licensee* must supply such information to *VENCorp* as *VENCorp* may reasonably require to perform its functions and exercise its powers under the *Act*.

20.3 Any question as to the reasonableness of a requirement by *VENCorp* for information as contemplated by clause 20.3 is to be decided by the *Commission* on the basis of the *Commission's* opinion of the reasonableness of the requirement.

21. NON-DISCRIMINATION IN CONDUCT OF BUSINESS

21.1 In conducting its *distribution business*, the *Licensee* must not unreasonably discriminate, or have the effect of creating unreasonable discrimination, between *retailers* or between *customers* of any *retailer*.

21.2 Without limiting clause 22.1, the *Licensee* must not use *customer* information or information about the activities of a *retailer* obtained by it in conducting its *distribution business* to gain an advantage for a *retail business* conducted by it or by a *related body corporate* if that information is not available to other *retailers*.

21.3 Any question as to the meaning of unreasonable discrimination or advantage, or the application of those concepts, is to be decided by the *Commission* on the basis of the *Commission's* opinion of the matter.

22. COMPLIANCE WITH ORDERS, CODES AND GUIDELINES

22.1 As well as complying with this licence, the *Licensee* must comply with all applicable provisions of:

- (a) any *order*;
- (b) the following codes:
 - (1) the *Electricity Distribution Code*;
 - (2) the *Electricity System Code*;
 - (3) the *Public Lighting Code*;
 - (4) the *Electricity Customer Metering Code*; and
 - (5) the *Electricity Customer Transfer Code*;
- (c) the *Price Determination*; and
- (d) any *guideline*, if the *guideline* itself requires the *Licensee* to comply or the *Commission* has informed the *Licensee* that compliance is required by way of a *communication* given to the *Licensee* by the *Commission*.

22.2 The *Licensee* must monitor its compliance with this licence and any *order*, code or *guideline* it is required to comply with under clause 22.1.

22.3 If the *Licensee* becomes aware of a material breach by the *Licensee* of this licence or any *order*, code or *guideline* it is required to comply with under clause 22.1, the *Licensee* must notify the *Commission* of the material breach as soon as practicable.

23. STANDARDS AND PROCEDURES

23.1 At the request of the *Commission*, the *Licensee* must participate to the extent specified by the *Commission* in the development, issue and review of any *standards and procedures* specified by the *Commission*.

23.2 The *Licensee* must in accordance with any *guideline* published for this purpose, or as directed by the *Commission*, report to the *Commission* on its performance against applicable *standards and procedures*.

23.3 In addition to its powers under section 26 of the *Act*, if the *Commission* considers that:

- (a) the *Licensee* has failed to comply with clause 23.1; or
 - (b) *standards or procedures* applicable to the *Licensee* have been shown to be insufficient to prevent abuses by the *Licensee* of any monopoly power it enjoys,
- the *Commission* may issue *standards and procedures* applicable to the *Licensee* and with which the *Licensee* must comply.

24. REGULATORY AUDITS

24.1 Upon request by the *Commission*, the *Licensee* must appoint an independent auditor to conduct audits of:

- (a) its compliance with obligations under this licence, including obligations to comply with codes and *guidelines*; and
- (b) the reliability and quality of information reported by the *Licensee* to the *Commission*, and the consistency of that information with the *Commission's* specifications.

24.2 The *Licensee* must comply, and must require the *Licensee's* auditor to comply, with relevant aspects of any *guideline* dealing with audits under this clause 24, including any minimum requirements relating to the appointment of the auditor, the terms and conditions of the appointment of the auditor, the scope of the audit, the conduct of the audit and the reporting of the results of the audit.

25. DISPUTE RESOLUTION

25.1 The *Licensee* must submit to the *Commission* for its approval, and if approved implement, a scheme for the fair, reasonable and effective investigation and resolution of disputes between it and:

- (a) a *customer* about the *Licensee's* services, billing and charging; and
- (b) aggrieved persons about the manner in which the *Licensee* conducts its business under this licence generally.

25.2 Unless it has been notified by the *Commission* that it need not comply with this clause 25.2, the *Licensee* must comply with clause 25.1 by submitting to the *Commission* for its approval an ombudsman scheme and implementing any such scheme that the *Commission* has approved.

25.3 An ombudsman scheme that is implemented by the *Licensee* to comply with clause 25.2 must contain and comply with terms and conditions that:

- (a) bind the *Licensee* to participate in the scheme and comply with its rules (as amended from time to time) from the date on which it is approved by the *Commission*;

- (b) provide the *Licensee's customers* and aggrieved persons with ready and equal access to the scheme;
- (c) subject to clause 25.3(d), present no cost barriers to *customers*;
- (d) do not permit fees to be charged to, or costs to be awarded against, residential and small business *customers*;
- (e) provide that the scheme be governed by a board consisting of an independent chairperson and equal numbers of *customer* representatives appointed by the *Commission* and representatives appointed by the members of the scheme;
- (f) in accordance with a process approved by the *Commission*, provide for those members of the scheme and *customer* representatives that are members of the board to appoint the chairperson after consultation with the *Commission*;
- (g) provide for the board to appoint the ombudsman;
- (h) require the board to inform the *Commission* of any proposed amendments of the scheme;
- (i) confer on the ombudsman the power to make rulings with which the *Licensee* is required to comply;
- (j) provide that, if the scheme prevents a ruling of the ombudsman from exceeding in value a maximum amount, that amount must be no less than \$20,000 in respect of a complaint from an individual *customer*;
- (k) confer on the ombudsman the power to impose sanctions on the *Licensee* for a breach of a ruling;
- (l) require the ombudsman to follow fair and efficient procedures, and make decisions that are fair and reasonable having regard to the law, the licences, industry codes, deemed contracts, and good industry practice;
- (m) enable the *Commission* to refer complaints in relation to the conduct of the participating *Licensee's* business conducted under this licence to the ombudsman;
- (n) require the *Licensee* to bear a fair proportion of the cost of the development, establishment and operation of the ombudsman scheme;
- (o) enable a question as to the fairness of the proportion of the costs which must be borne by a *Licensee* to be decided by the *Commission* on the basis of the *Commission's* opinion of the fairness of the proportion;
- (p) require the ombudsman to report to the *Commission* as and when required by the *Commission* on the operation of the scheme in relation to the industry of which the *Licensee* is part;

- (q) require the ombudsman to publish its decisions and annual reports on the operation of the scheme and the performance of each member of the scheme in relation to the industry of which the *Licensee* is part;
- (r) require the board to conduct periodic and comprehensive reviews of the performance of the scheme in consultation with members, *customer* representatives, the *Commission* and other interested parties; and
- (s) provide for the *Licensee* to withdraw from the scheme subject to:
 - (1) the *Commission* notifying the *Licensee* that it need not comply with clause 25.2;
 - (2) the *Licensee* providing to the *Commission* 12 months notice in *writing* of the *Licensee's* intention to withdraw; and
 - (3) the *Licensee* satisfying the *Commission* that the *Licensee* complies with clause 25.1.

26. SEPARATE ACCOUNTS

The *Licensee* must ensure that separate accounts are prepared for its *distribution business*.

27. PROVISION OF INFORMATION TO THE COMMISSION

The *Licensee* must provide to the *Commission*, in the manner and form decided by the *Commission*, such information as the *Commission* may from time to time require.

28. PAYMENT OF LICENCE FEES

28.1 The *Licensee* must pay as directed by the *Commission* a licence fee determined in accordance with section 22 of the *Act*.

28.2 Insofar as a fee or charge determined by the *Minister* under section 22 of the *Act* in respect of this licence is an annual fee or charge, it must be paid in either four equal instalments on the last days of September, December, March and June in each year or paid in one payment on or before the last day of September in each year and in the manner notified to the *Licensee* by the *Commission*.

28.3 The *Licensee* must pay as directed by the *Commission* such other fees and charges in respect of this licence as are determined by the *Minister* in accordance with section 22 of the *Act*.

29. ADMINISTRATOR

29.1 If an *administrator* is appointed to the *Licensee's* business under section 34 of the *Act*, the *administrator* must exercise its functions and powers in such a manner as may be specified by the *Commission* in the instrument of appointment.

29.2 The *Licensee* is responsible for the acts and defaults of the *administrator*.

30. COMPLIANCE WITH LAWS

The *Licensee* must comply with all applicable laws.

31. VARIATION

This licence may be varied in accordance with section 29 of the *Act*.

32. TRANSFER OF LICENCE

This licence may be transferred in accordance with section 31 of the *Act*.

33. COMMUNICATIONS

33.1 A *communication* must be in *writing*.

33.2 A *communication* is to be regarded as having been given by the sender and received by the addressee:

- (a) when delivered in person to the addressee;
- (b) 3 *business days* after the date of posting, if the *communication* is posted within Australia;
- (c) 7 *business days* after the date of posting, if the *communication* is posted outside Australia;
- (d) when, according to the sender's transmission report, received by facsimile transmission by the addressee; or
- (e) when it is an electronic *communication*, in accordance with the *Electronic Transactions (Victoria) Act 2000*.

**THE COMMON SEAL of
THE ESSENTIAL SERVICES
COMMISSION**

was affixed pursuant to the
authority of the Commission
on 19 August 2016




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Dr Ron Ben-David
Chairperson

**SCHEDULE 1
DEFINITIONS AND INTERPRETATION**

1. DEFINITIONS

In this licence:

Act means the *Electricity Industry Act 2000*.

administrator means an administrator appointed by the *Commission* under section 34 of the *Act* in respect of the *Licensee's distribution business*.

approved statement means a statement of the kind referred to in clause 17.1 that is submitted to and approved, by notice to the *Licensee*, by the *Commission*.

augmentation in relation to the *transmission connection assets* or the *Licensee's distribution system*, means the process of upgrading the *transmission connection assets* or the *distribution system* by replacing or enhancing existing plant and equipment or by adding new plant and equipment and includes modifying any of the *Licensee's distribution fixed assets*.

business day means a day other than a Saturday or Sunday or a public holiday appointed under the *Public Holidays Act 1993*.

Commission means the Essential Services Commission under the *Essential Services Commission Act 2001*.

communication means a notice, agreement, consent, direction, representation, advice, statement or other communication required or given pursuant to or in connection with this licence.

connect means the making and maintaining of contact between the electrical systems of two persons allowing the supply of electricity between those systems (and *connection* has a corresponding meaning).

connection services means the service of establishing *connection* between the *Licensee's distribution system* and another electrical system (including, without limitation, an *electrical installation*).

customer means a person who buys or proposes to buy electricity from a *retailer* or directly through the *wholesale electricity market*.

deemed distribution contract means a contract deemed to be entered into between the *Licensee* and each "retail customer" or each member of a class of retail customers by section 40A(5) of the *Act*.

default use of system agreement means a form of agreement submitted to the ***Commission*** by a ***distributor*** under this ***distribution licence*** and approved by the ***Commission***.

distribution area in relation to a ***distributor*** who holds a ***distribution licence***, means the area in which the ***distributor*** may distribute or supply electricity under the ***distribution licence***. In relation to the ***Licensee***, this is the area described in schedule 2.

distribution business means a business carried on by a ***distributor*** under a ***distribution licence*** or exemption granted under the ***Act***.

distribution fixed assets means any distribution fixed assets used by the ***Licensee*** to distribute or supply electricity, whether or not located in the ***Licensee's*** or another ***distributor's distribution area***.

distribution licence means a licence to distribute or supply electricity granted under the ***Act***.

distribution system in relation to a ***distributor***, means a system of electric lines and associated equipment (generally at nominal voltage levels of 66kV or below) which the ***distributor*** uses to distribute or supply electricity, including ***distribution fixed assets*** but excluding ***public lighting assets***.

distributor means a person who holds, or is exempt from holding, a ***distribution licence***.

electrical installation means any electrical equipment at a ***customer's*** site that is ***connected*** to, but not part of, a ***distribution system***.

Electricity Customer Metering Code means the code of that name certified by the ***Commission***.

Electricity Customer Transfer Code means the code of that name certified by the ***Commission***.

Electricity Distribution Code means the code of that name certified by the ***Commission***.

Electricity System Code means the code of that name certified by the ***Commission***.

embedded generating unit means a ***generating unit*** which is ***connected*** (or to be ***connected***) to a ***distribution system***.

embedded generator means a ***generator*** whose ***generating units*** are ***connected*** to a ***distribution system***.

enforcement order means a provisional or final order made and served by the ***Commission*** under section 53 of the ***Essential Services Commission Act 2001***.

excluded services, for the purpose of this licence, are the same as excluded services for the purpose of the *Price Determination*.

generating unit means an electricity generator and related equipment essential to its operation, which together function as a single unit.

generation licence means a licence to generate electricity for supply or sale, to supply electricity and to sell electricity granted under the *Act*.

generator means a person who holds, or is exempt from holding, a *generation licence*.

guideline means a guideline published by the *Commission*.

Licensee means CitiPower Pty Ltd ACN 064 651 056, or each of them, as the context requires

metering installation has the meaning given to that term by the *National Electricity Code*.

Minister means the person who is the Minister for the purposes of the relevant section of the *Act*.

National Electricity Code means the Code approved in accordance with section 6(1) of the National Electricity (Victoria) Law applicable in Victoria as a result of the operation of section 6 of the *National Electricity (Victoria) Act 1997*.

NEMMCO means National Electricity Market Management Company Limited ACN 072 010 327.

NMI means a national metering identifier.

objectives means the objectives specified in section 10 of the *Act* and section 8 of the *Essential Services Commission Act 2001*.

order means an Order in Council made or in force under the *Act*.

Price Determination means the Electricity Distribution Price Determination 2001-2005, the 2001 Electricity Distribution Price Review Re-Determination and any other price determination in force.

public lighting assets means all assets of the *Licensee* which are dedicated to the provision of public lighting in the *distribution area*, including lamps, luminaires, mounting brackets and poles on which the fixtures are mounted, supply cables and control equipment (for example, photoelectric cells and control circuitry) but not including the *Licensee's* protection equipment (for example fuses and circuit breakers).

public lighting customer means:

- (a) VicRoads in respect of public lighting of declared roads (as defined in the *Transport Act 1983*);

- (b) a municipal council in respect of public lighting in its municipal district other than public lighting of declared roads; and
- (c) the Docklands Authority in respect of public lighting in the docklands area (as defined in the *Docklands Act 1991*) other than public lighting of declared roads.

public lighting services means the following services provided for the purpose of lighting public places:

- (a) the operation of **public lighting assets**, including handling enquiries and complaints about public lighting, and dispatching crews to repair **public lighting assets**;
- (b) the maintenance, repair, alteration, relocation and replacement of **public lighting assets**; and
- (c) the installation of new **public lighting assets**.

Public Lighting Code means the code of that name certified by the *Commission*.

related body corporate has the meaning given to that term by the *Corporations Act 2001*.

retail business means the business that a **retailer** carries on under its **retail licence** or exemption granted under the *Act*.

retail licence means a licence to sell electricity granted under the *Act*.

retailer means a person who holds, or is exempt from holding, a **retail licence**.

retailer of last resort means a **retailer** acting as a retailer of last resort under its **retail licence**.

standards and procedures means:

- (a) customer-related standards;
- (b) overall performance standards;
- (c) complaint handling, escalation and resolution policies, practices and procedures;
- (d) security deposit, disconnection and credit policies, practices and procedures including practices and procedures concerning the installation and use of load limiters;
- (e) rules and procedures for compensating **customers** for the **Licensee's** failure to comply with any such standards, policies, practices and procedures; and
- (f) procedures for the introduction of debit or prepaid meter cards or other prepayment schemes,

which are issued by the *Licensee* under clause 23.1 or by the *Commission* under clause 23.3.

supply point in relation to the distribution or supply of electricity to a person, means the point at which a supply of electricity last leaves a supply facility owned or operated by a *distributor* before being supplied to the person, whether or not the electricity passes through facilities owned or operated by any other person after leaving that point before being so supplied.

transmission connection assets means those parts of an electricity transmission network which are dedicated to the *connection* of *customers* at a single point, including transformers, associated switchgear and plant and equipment.

undertaking means an undertaking given by the *Licensee* under section 53(5)(a) of the *Essential Services Commission Act 2001*.

use of system agreement means an agreement between a *retailer* (or other person who has made an application for a *retail licence*) and a *distributor* which is necessary to ensure that, subject to the *Act*, electricity is distributed or supplied by means of the *distributor's distribution system* to the extent necessary to enable the *retailer* (or other person) to sell electricity to its *customers*.

VENCorp means Victorian Energy Networks Corporation continued under Part 8 of the *Gas Industry Act 2001*.

wholesale electricity market means the market for wholesale trading in electricity operated by *NEMMCO* under the *National Electricity Code*.

writing includes any mode of representing or reproducing words, figures, drawings or symbols in a visible form.

2. INTERPRETATION

In this licence, unless the context otherwise requires:

- (a) headings, footnotes and schedule 3 are each for convenience only and do not affect the interpretation of this licence;
- (b) words importing the singular include the plural and vice versa;
- (c) words importing a gender include any gender;
- (d) an expression importing a natural person includes any company, partnership, trust, joint venture, association, corporation or other body corporate and any governmental agency;
- (e) a reference to a condition, clause, schedule or part is to a condition, clause, schedule or part of this licence;

- (f) a reference to terms of an offer or agreement is to all terms, conditions and provisions of the offer or agreement;
- (g) a reference to any statute including the *Act* and regulation, proclamation, Order in Council, ordinance or by-law includes all statutes, regulations, proclamations, Orders in Council, ordinances or by-laws varying, consolidating, re-enacting, extending or replacing them and a reference to a statute includes all regulations, proclamations, Orders in Council, ordinances, by-laws and determinations issued under that statute;
- (h) a reference to a document or a provision of a document includes an amendment or supplement to, or replacement or novation of, that document or that provision of that document;
- (i) a reference to a person includes that person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and permitted assigns;
- (j) other parts of speech and grammatical forms of a word or phrase defined in this licence have a corresponding meaning;
- (k) a period of time:
 - (1) which dates from a given day or the day of an act or event is to be calculated exclusive of that day; or
 - (2) which commences on a given day or the day of an act or event is to be calculated inclusive of that day; and
- (l) an event which is required under this licence to occur on or by a stipulated day which is not a *business day* may occur on or by the next *business day*.

**SCHEDULE 2
DISTRIBUTION AREA**

CITIPOWER PTY LTD DISTRIBUTION AREA

COMMON BOUNDARY OF UNITED ENERGY LTD AND CITIPOWER PTY LTD

At the point where the Yarra River meets the north boundary of the Camberwell Golf Club at AMG Co-ordinates 329745E 5816931N; then easterly along the north and east boundaries of the Camberwell Golf Club to their intersection with the Koonung Creek at AMG Co-ordinates 330184E 5816703N; then easterly along the centre line of the Koonung Creek to its intersection with the east boundary of Bulleen Road at the AMG Co-ordinates 330694E 5817008N; then southerly along the east boundary of Bulleen Road to its intersection with the north boundary of Thompsons Road at AMG Co-ordinates 330693E 5816720N; then easterly along the north boundary of Thompsons Road to the point where the Koonung Creek crosses under Thompsons Road at AMG Co-ordinates 330933E 5816767N; then across Thompsons Road to its south boundary at AMG Co-ordinates 330944E 5816747N; then due south across the Eastern Freeway to its south boundary at AMG Co-ordinates 330943E 5816659N; then easterly along the south boundary of the Eastern Freeway to AMG Co-ordinates 332858E 5815789N; then easterly across Doncaster Road to the point where Koonung Creek crosses under the south boundary of Doncaster Road at AMG Co-ordinates 332954E 5815755N; then southerly along the centre line of the Koonung Creek to AMG Co-ordinates 333422E 5815226N; then south westerly along parkland to AMG Co-ordinates 333327E 5815152N (rear of Lot 6, No. 8 Jocelyn Avenue); then to AMG Co-ordinates 333211E 5815062N (rear of Lot 1, No. 74 Winfield Road); then to AMG Co-ordinates 333168E 5815046N (rear of Lot 2, No. 72 Winfield Road); then to AMG Co-ordinates 333070E 5814901N; then to AMG Co-ordinates 332948E 5814875N; then easterly to the north west corner of Lot 1, No. 52 Winfield Road at AMG Co-ordinates 332963E 5814860N; then southerly along the east boundary of Winfield Road to AMG Co-ordinates 332920E 5814739N; then westerly across Winfield Road to its west boundary at AMG Co-ordinates 332886E 5814718N; then southerly along the west boundary of Winfield road to AMG Co-ordinates 332996E 5814398N; then to north west corner of Yeneda Street at AMG Co-ordinates 332984E 5814316N; then southerly across Belmore Road to the south east corner of Evelina Street at AMG Co-ordinates 332989E 5814253N; then south easterly along the east boundary of Evelina Street to AMG Co-ordinates 333039E 5814156N; then across Relowe Crescent to AMG Co-ordinates 333057E 5814141N; then southerly along the east boundary of Evelina Street to AMG Co-ordinates 333001E 5813736N; then southerly across Strabane Avenue to AMG Co-ordinates 332993E 5813713N; then southerly along the east boundary of Kerry Parade to AMG Co-ordinates 332960E 5813478N; then to AMG Co-ordinates 332947E 5813466N (intersection of centre line of Bundoran, Kerry and Kinsale Crescents); then south westerly along the centre line of Kinsale Crescent to AMG Co-ordinates 332905E 5813304N; then southerly along lot boundaries and the east boundary of Barloa Road to AMG Co-ordinates 332838E 5812791N; then westerly along the centre line of Whitehorse Road to AMG Co-ordinates 332803E 5812796N; then southerly along the east boundary of York Street to AMG Co-ordinates 332765E 5812506N; then across Trafalgar Street to AMG Co-ordinates 332761E 5812484N; then southerly along the eastern boundary

of York Street to AMG Co-ordinates 332722E 5812201N; then easterly along the north boundary of Mont Albert Road to AMG Co-ordinates 332738E 5812199N; then southerly along the east boundary of Wilson Street to AMG Co-ordinates Co-ordinates 332707E 5811975N; then southerly across the railway reserve to AMG Co -ordinates Co-ordinates 332680E 5811899N; then southerly to the centre line of Windsor Crescent to AMG Co-ordinates 332674E 5811842N; then westerly along the centre line of Windsor Crescent to AMG Co-ordinates 332562E 5811776N; then south westerly to the north west corner of Alexandra Crescent at AMG Co-ordinates 332558E 5811762N; then southerly along the west boundary of Alexandra Crescent to AMG Co-ordinates 332594E 5811647N; then westerly along the boundaries of Zone Substation Surrey Hills to AMG Co-ordinates 332558E 5811652N; then to AMG Co-ordinates 332552E 5811603N; then to AMG Co-ordinates 332581E 5811599N; then to AMG Co-ordinates 332585E 5811635N; then to AMG Co-ordinates 332591E 5811635N; then southerly along the west boundary of Alexandra Crescent to AMG Co-ordinates 332592E 5811588N; then easterly along the centre line of Canterbury Road to AMG Co-ordinates 332666E 5811578N; then southerly along the centre line of Warrigal Road to AMG Co-ordinates 332341E 5808892N; then westerly along the north boundary of Toorak Road to the intersection with the east boundary of the South Eastern Arterial at AMG Co -ordinates 327469E 5809423N; then northerly along the east and north east boundary of the South Eastern Arterial to the east boundary of Glenferrie Road at AMG Co-ordinates 326785E 5810232N; then southerly along the east boundary of Glenferrie Road to the Caulfield railway reserve at AMG Co-ordinates 326429E 5807156N; then south easterly along the north east boundary of the railway reserve to AMG Co-ordinates 327381E 5806135N; then easterly across the railway reserve to AMG Co -ordinates 327332E 5806143N; then westerly along the north boundary of Balaclava Road to the intersection with St Kilda Road at AMG Co-ordinates 322863E 5806749N; then westerly along the north boundary of Carlisle Street to the intersection of Haverlock Street at AMG Co-ordinates 322066E 5806837N; then southerly to the boundary of Luna Park at AMG Co-ordinates 322053E 5806799N; then south easterly along the Luna Park boundary to the intersection with Shakespeare Grove at AMG Co-ordinates 322088E 5806772N; then south westerly along the north west boundary of Shakespeare Grove to the intersection with Marine Parade at AMG Co-ordinates 321867E 5806601N; then south westerly to the foreshore of Port Phillip Bay at AMG Co-ordinates 321836E 5806556N.

SOUTHERN BOUNDARY

Westerly from AMG Co-ordinates 321836E 5806556N along the foreshore of Port Phillip Bay to the centre of the entrance of the Yarra River.

COMMON BOUNDARY OF AGL ELECTRICITY LIMITED AND CITIPOWER PTY LTD

From the centre of the entrance of the Yarra River northerly along the centre of the Yarra River to its confluence with the Maribyrnong River then northerly along the centre of the Maribyrnong River to the point where the Maribyrnong river passes under the northern boundary of the Footscray railway line at AMG Co-ordinates 316466E 5814344N then easterly along the northern boundary of the Footscray route railway reserve to the Eastern side of Moonee Ponds Creek at AMG Co-ordinates 318237E 5813912N; then northerly along the Moonee Ponds Creek to AMG Co-ordinates 318218E 5814334N near the Arden Street bridge; then generally in a north easterly direction following the northern and western sides

of the Upfield railway reserve to the point where the railway line intersects the Tullamarine Freeway at the Flemington Road railway bridge at AMG Co-ordinates 318584E 5815608N; then generally in a northerly direction along the eastern boundary of the Tullamarine Freeway to where the Tullamarine Freeway passes over the Moonee Ponds Creek and then along the centre line of the Moonee Ponds Creek to the point where the Moonee Ponds Creek meets Moreland Road, then easterly along the centre line of Moreland Road to the point where Moreland Road crosses over the Merri Creek, then northerly along the centre line of Merri Creek to the point where the Merri Creek meets the southern boundary of the A.H. Capp Reserve, then easterly along the southern boundary of the A.H. Capp Reserve, then easterly along the centre line of Miller Street to the intersection with High Street, then easterly along the centre line of Dundas Street to Darebin Creek, then southerly along the centre line of Darebin Creek to the intersection of Darebin Creek with Smith Street. Then along the north side of Smith Street west to Fulham Road. Then north along Fulham Road to Chingford Street. Then west along the centre of Chingford Street to Sparks Avenue. Then north along the centre line of Sparks Avenue to the boundary between No 43 and 45 Sparks Avenue then west to the eastern boundary of Station Street then west along the boundary between 267 and 267A Station Street to the eastern boundary of Gillies Street. Then north along the eastern boundary between No 227 and 229 Rathmines Street then west to the rear of 227/229 Rathmines Street. Then south along the rear boundary of lots on the west side of Rathmines Street to the intersection with Westgarth Street then west along the centre line of Westgarth Street to the west boundary of Holmes Street. Then south along the rear of lots on the west side of Holmes Street to Heidelberg Road then west along the north side of Heidelberg Road to the intersection with Merri Creek. Then along the centre line of Merri Creek to the confluence of the Yarra River, then easterly along the centre line of the Yarra River to the point where the Yarra River meets the northern boundary of the Camberwell Public Golf Course at AMG Co-ordinates 329745E 5816931N.

INCLUSION OF LYNCH'S BRIDGE AREA

The following areas, the external boundaries of which are described below and which are indicated as the shaded areas on the attached map, are, in addition to the area described above, part of the distribution area of CitiPower Pty Ltd:

Commencing at a point on the south- west corner of the junction of Smithfield Road and the former Hobsons Road, Kensington at AMG co-ordinate 316223.5E 5814709.0N; then generally southerly along the eastern building line to AMG co-ordinate 316376.5E 5814577.0N; then generally easterly along the building line of the north side of Hobsons Road, Kensington to AMG co -ordinate 316451.5E 5814635.0N; then generally south-easterly along the building line of the north side of Hobsons Road, Kensington to AMG co-ordinate 316580.5E 5814587.0N; then easterly along the building line of the north side of Flockhart Street, Kensington to the north-west corner of the junction of Flockhart Street and Bayswater Road, Kensington at AMG co-ordinate 316869.5E 5814806.0N; then generally north-westerly along the building line of the west side of Bayswater Road, Kensington to AMG co-ordinate 316833.5E 5814830.0N; then westerly along the building line of the south side of Westbourne Road, Kensington to AMG co-ordinate 316812.0E 5814813.5N; then northerly along the building line at the end of Westbourne Road, Kensington to AMG co-ordinate 316804.5E 5814823.5N; then easterly along the building line of the north side of Westborne Road, Kensington to the north-west corner of the junction of Westbourne Road and Epsom Road, Kensington at AMG co-ordinate 317182.5E 5815111.5N; then northerly along the

building line of the west side of Epsom Road, Kensington to the south-west corner of the junction of Smithfield Road and Epsom Road, Kensington at AMG co-ordinate 316997.5E 5815344.5N; then westerly along the building line of the south side of Smithfield Road, Kensington returning to AMG co-ordinate 316223.5E 5814709.0N.

Commencing at a point on the south-east corner of the junction of Smithfield Road and Epsom Road, Kensington at AMG co-ordinate 317016.0E 5815354.0N; then southerly along the building line of the west side of Epsom Road to the north-west corner of the junction of Epsom Road and Market Street, Kensington at AMG co-ordinate 317175.5E 5815153.0N; then easterly along the building line of the north side of Market Street, Kensington to the north-west corner of the junction of Market Street and Bellar Street, Kensington at AMG co-ordinate 317518.0E 5815426.0N; then north-easterly along the building line of the west side of Bellar Street, Kensington to the south-west corner of the junction of Bellar Street and Racecourse Road, Flemington at AMG co-ordinate 317507.0E 5815477.5N; then generally north-westerly along the building line of the south side of Racecourse Road, Flemington to the south-west corner of the junction of Racecourse Road and Smithfield Road, Flemington at AMG co-ordinate 317196.0E 58115511.5N; then westerly along the building line of the south side of Smithfield Road, Kensington returning to AMG co-ordinate 317016.0E 5815354.0N.

DEFINITIONS: In this boundary delineation "AMG" is a reference to Australian Map Grid, Zone 55

**SCHEDULE 3
VARIATIONS TO THE LICENCE**

Date	Reason for variation
24 July 1998	To give effect to introduction of retailer of last resort, scheme, vary the payment dates for annual licence fees and remove obsolete clauses.
8 April 1999	To include a condition requiring the licensee to conduct audits of its compliance with licence, code and guideline obligations
22 March 2001	To establish a regulatory framework for full retail competition to reflect changes established by Electricity Industry Act 2000, to make other minor amendments and to amend the dispute resolution clause to establish the Energy and Water Ombudsman.
28 August 2001	To include a new clause 4A on deemed distribution contracts, amend clause 4 in relation to approval of default use of system agreements and amend schedule 3 to change the date on which some full retail competitions systems are to be operation.
30 January 2002	To bring the licences up to date for developments in full retail competition and to make other minor administrative changes.
31 August 2005	To make various administrative and substantive amendments following review by the Commission of electricity generation, distribution and retail licences.
17 August 2016	Amendment to licensee company name.